

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 17, 1963

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Continental Oil Company
P. O. Box 1377
Roswell, New Mexico

Attention: Mr. A. B. Slaybaugh

Administrative Order CTB-107

Gentlemen:

Reference is made to your application of May 10, 1963, for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of Maljamar (Grayburg-San Andres) Oil Pool production from your Miller EX Lease comprising E/2 of Section 14, Township 17 South, Range 32 East, Lea County, New Mexico, with the Maljamar (Grayburg-San Andres) production from that portion of your Miller B Lease lying outside the participating area of the Maljamar Cooperative Area Unit being the N/2 NE/4 of Section 23, Township 17 South, Range 32 East, Lea County, New Mexico.

It is our understanding that the working interest and royalty interest underlying each of these leases is common throughout and that you therefore propose to commingle the production after separately metering the Miller B Lease production and determining the Miller EX production by means of the subtraction method.

Under the authority granted me pursuant to Rule 309-B, you are hereby authorized to commingle the above-described production as proposed, subject to the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
United States Geological Survey - Roswell



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico

May 7, 1963

Continental Oil Company
P. O. Box 1377
Roswell, New Mexico

Attention: Mr. Wm. A. Mead

Gentlemen:

Your letter of May 6 requests our approval to commingle the Grayberg-San Andres oil production from well No. 7 Miller B in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 23, T. 17 S., R. 32 E., N.M.P.M., lease Las Cruces 058698-B with that from wells located in the E $\frac{1}{2}$ sec. 14, T. 17 S., R. 32 E., lease Las Cruces 061842.

The method of measuring the oil prior to commingling as described by your application is hereby approved. You are requested to notify our Artesia office when the installation is complete so that a field inspection of the system can be made.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor